

Monroe Chamber of Commerce, Inc.

**Consolidated Financial Statements
As of and for the Years Ended
December 31, 2013 and 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 29 2014

Monroe Chamber of Commerce, Inc.

Consolidated Financial Statements As of and for the Years Ended December 31, 2013 and 2012

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HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

**Board of Directors
Monroe Chamber of Commerce, Inc.**

We have audited the accompanying financial statements of the **Monroe Chamber of Commerce, Inc.** and the **Monroe Chamber Foundation** (a nonprofit organization, the Chamber), which collectively comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

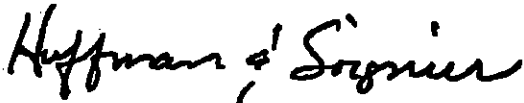
Board of Directors
Monroe Chamber of Commerce, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chamber as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2014, on our consideration of the Chamber's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Chamber's internal control over financial reporting and compliance.



(A Professional Accounting Corporation)

June 5, 2014

MONROE CHAMBER OF COMMERCE, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	December 31,	
	2013	2012
Current Assets		
Cash	\$ 215,448	\$ 143,231
Receivables		
Membership Dues	14,715	13,635
Total Resource Development Campaign	17,600	19,401
Governmental Contract	-	2,500
Other	10,711	55,323
Total Current Assets	258,474	234,090
Property and Equipment		
Furniture, Fixtures and Equipment	184,281	195,799
Less: Accumulated Depreciation	(182,201)	(189,528)
Net Property and Equipment	2,080	6,271
Other Assets		
Notes Receivable (Note 2)	32,500	47,500
Prepaid Expenses	1,979	18,499
Total Other Assets	34,479	65,999
TOTAL ASSETS	\$ 295,033	\$ 306,360
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 8,687	\$ 20,000
Accrued Payables	4,693	2,653
Capital Lease Obligations - Current Portion (Note 3)	1,048	3,915
Refundable Advances	-	1,575
Deferred Revenue:		
Membership Dues	76,131	83,209
Governmental Contracts	4,166	14,167
Total Current Liabilities	94,725	125,519
Long-Term Liabilities		
Capital Lease Obligations (Note 3)	-	410
Total Long-Term Liabilities	-	410
Total Liabilities	94,725	125,929
Net Assets		
Unrestricted	200,308	180,431
Total Net Assets	200,308	180,431
TOTAL LIABILITIES AND NET ASSETS	\$ 295,033	\$ 306,360

The accompanying notes are an integral part of these statements.

MONROE CHAMBER OF COMMERCE, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES

	For the Years Ended	
	December 31,	
	2013	2012
Changes in Unrestricted Net Assets		
Support		
Membership Dues	\$ 225,807	\$ 231,223
Administrative	15,990	6,958
Communications	43,322	47,890
Workforce Development	109,338	176,549
Government Relations/Affairs	276,761	298,966
Leadership	45,050	36,345
Annual Banquet	58,210	57,918
Special Event Revenue	106,086	149,341
Less Costs of Direct Benefits to Donors	(37,999)	(66,316)
Total Unrestricted Support	842,565	938,874
Expenses		
Program Services		
Workforce Development Division	113,464	134,157
Government Relations/Affairs Division	341,810	340,976
Membership Services Division	54,021	50,333
Total Program Services Expenses	509,295	525,466
Supporting Services		
Management and General (Note 5)	230,690	226,382
Fund Raising (Note 5)	23,219	20,207
Membership Development (Note 5)	59,484	54,199
Total Supporting Services Expenses	313,393	300,788
Total Expenses	822,688	826,254
Increase (Decrease) in Net Assets	19,877	112,620
Net Assets at Beginning of Year	180,431	67,811
NET ASSETS AT END OF YEAR	\$ 200,308	\$ 180,431

The accompanying notes are an integral part of these statements.

MONROE CHAMBER OF COMMERCE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended	
	December 31,	
	2013	2012
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 19,877	\$ 112,620
Adjustments to Reconcile Increase in Net Assets to:		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	4,191	6,972
Rental Expense - noncash	15,000	12,500
Changes in Assets and Liabilities:		
Membership Dues Receivable	(1,080)	(5,060)
Total Resource Development Campaign	1,801	(2,189)
Governmental Contract	2,500	32,500
Other Receivables	44,612	(49,918)
Prepaid and Other Assets	16,520	(12,361)
Accounts Payable	(11,313)	18,162
Accrued Payables	2,040	(422)
Refundable Advances	(1,575)	(10,525)
Deferred Revenue - Membership Dues	(7,078)	(9,380)
Deferred Revenue - Governmental Contracts	(10,001)	-
Total Adjustments	55,617	(19,721)
Net Cash Provided by Operating Activities	75,494	92,899
Cash Flows from Financing Activities		
Principal Paid on Capital Lease	(3,277)	(3,736)
Net Cash Used by Financing Activities	(3,277)	(3,736)
Cash Flows from Investing Activities		
Acquisition of Property and Equipment (Net)	-	(1,958)
Net Cash Used by Investing Activities	-	(1,958)
Net Increase in Cash	72,217	87,205
Cash at Beginning of Year	143,231	56,026
Cash at End of Year	\$ 215,448	\$ 143,231
Supplemental Disclosures:		
Cash Paid During the Year for:		
Interest	\$ 650	\$ 892
Income Taxes	\$ 1,833	\$ 372
Non-Cash Operating Activities		
In-Kind Contributions	\$ 142,295	\$ 138,100
Materials, Services and Supplies	\$ (135,200)	\$ (136,775)
Non-Cash Investing Activities		
Sale of Investment	\$ -	\$ (60,000)
Note Receivable from Sale of Investment	\$ -	\$ 60,000
Decrease in Note Receivable in Exchange for Rent	\$ (15,000)	\$ (12,500)

The accompanying notes are an integral part of these statements.

MONROE CHAMBER OF COMMERCE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Note 1 - Summary of Significant Accounting Policies

Organization and Consolidation

The Monroe Chamber of Commerce, Inc. was incorporated September 1947 under the laws of the State of Louisiana. The Articles of Incorporation were restated in December 2010, and among other things, stated that the objectives and purposes of the organization are "to advance and protect the general welfare and prosperity of Ouachita Parish and the surrounding area so that the business community and its citizens shall prosper. All appropriate and necessary means of promotion shall be provided and particular attention shall be given to the economic, financial, commercial, agricultural, industrial, governmental, educational, and civic activities of the region. The Chamber shall observe all laws applicable to a nonprofit organization as defined in Section 501(c)(6) of the Internal Revenue Code or the corresponding provision of any such future law."

In 1980 the Monroe Chamber Foundation was formed to pursue charitable, scientific, literary or educational purposes. The Board of Directors is elected in conjunction with the Monroe Chamber of Commerce, Inc.'s Board of Directors (Executive Committee) such that members of the Monroe Chamber of Commerce, Inc.'s Board of Directors (Executive Committee) are also members of the Monroe Chamber Foundation's Board of Directors. As a result, the financial statements are consolidated to include both the Monroe Chamber of Commerce, Inc. and the Monroe Chamber Foundation (the Chamber) such that all intra-entity transactions have been eliminated.

Basis of Presentation

The Chamber has adopted Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605-25, "Not For Profit Entities-Revenue Recognition", and FASB ASC 958-205, "Not For Profit Entities-Presentation of Financial Statements".

FASB ASC 958-205 establishes standards for financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. FASB ASC 958-605-25 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three net asset categories follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met by either actions of the Chamber and/or the passage of time. As of December 31, 2013 and 2012, the Chamber has no temporarily restricted assets.

MONROE CHAMBER OF COMMERCE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Chamber. Generally, the donors of these assets permit the Chamber to use all or part of the income earned on related investments for general or specific purposes. As of December 31, 2013 and 2012, the Chamber has no permanently restricted net assets.

Basis of Accounting

The financial statements of the Chamber have been prepared on the accrual basis. The significant accounting policies followed by the Chamber are described below to enhance the usefulness of the financial statements to the reader.

Cash and Cash Equivalents

The Chamber considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost. Expenditures that are greater than \$500 for additions, major renewals and betterments are capitalized. All other expenditures are expensed as incurred. The cost of assets retired or otherwise removed and the related accumulated depreciation are eliminated from the accounts in the year of removal, with the resulting gain or loss credited or charged to operations. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets ranging from three years for computer equipment to ten years for office furniture and equipment.

Deferred Revenue

Membership dues are billed on a monthly basis, coinciding with the month the member joined the Chamber. Membership revenue is deferred and recognized in the statement of activities on a straight-line basis over a one year period. Membership receivables are written off as uncollectable when they become 120 days past due.

Refundable Advances

Refundable advances consist of payments received during the Total Resource Development Campaign for events or programs to be carried out in the following year. These refundable advances are recognized as income in the subsequent year either on a straight line basis or as the individual event occurs.

Compensated Absences

Employees receive one week of vacation after six months, two weeks after one year, three weeks after five years, and four weeks after ten years of service. Vacation time is forfeited unless taken by year-end. Five days of sick leave are allowed annually. Employees are not compensated for any unused leave upon termination. Accordingly, no accrual for unpaid leave time is included in the financial statements.

MONROE CHAMBER OF COMMERCE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Functional Allocation of Expenses

Program services expenses are those directly related to the purposes for which the Chamber exists. Supporting services expenses reflect other expenses incurred in operating the programs, fund raising, and membership development. Various operating expenses not directly connected with a specific function or program service is allocated to supporting services. The direct costs of providing the various programs and other activities have been summarized in the statements of activities. Salaries and employee benefits are allocated to program and supporting services based upon management's estimate of time each employee devotes to various activities.

Program services include:

Workforce Development Division -- supports a combination of educational and workforce training needs throughout the region served by the Chamber. Some of the programs sponsored by the division are Accent on Excellence Breakfast and the regional Career Fair.

Government Relations/Affairs Division -- focuses on state, local, and federal government initiatives. The Chamber has two registered state lobbyist on staff. These individuals are in Baton Rouge during Legislative Sessions as needed. They also conduct an annual Northern Exposure advocacy trip to the State Capital. On the local front, the Chamber has an agreement with the City of Monroe, to represent the City in the areas of economic development, state and federal advocacy, and transportation and infrastructure. The Chamber also conducts two trips to Washington, D. C., to meet with House and Senate members as well as various Federal agencies to promote issues of concern for our area.

Membership Services Division -- benefits members of the Chamber by providing valuable information through a weekly newsletter and a semi-annual news magazine. The Chamber also provides literature to acquaint newcomers with Ouachita Parish which is also available on the Chamber's web site.

Supporting services include:

Management and General -- includes oversight, business management, general record keeping, budgeting, financing, soliciting revenue from exchange transactions, such as government contracts and related administrative activities.

Fund Raising - includes the costs of the annual Holiday Auction held in December of each year. The Chamber also hosts a golf tournament for members to raise funds.

MONROE CHAMBER OF COMMERCE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Membership Development – includes soliciting for prospective members, membership dues and the Total Resource Development Campaign which solicits participation in and support of its various programs in fulfilling the mission of the Chamber and enhancing benefits to the membership.

Donated Materials and Services

Capital items are recorded at their fair market value on the date of donation. The value of contributed services and miscellaneous materials meeting the requirements for recognition in the financial statements are recognized as revenues and related expenses for gifts-in-kind.

Tax Status

The Chamber has qualified as an organization exempt from federal income taxes pursuant to Section 501(c)(6) of the Internal Revenue Code; therefore, there is no provision for income taxes in the accompanying financial statements except for tax on unrelated trade or business income related to the sale of maps and tabloids. Income tax expense for the years ended December 31, 2013 and 2012 was \$1,533 and \$372, respectively and is presented in Management and General Expenses. The Chamber is subject to income tax examinations by the Internal Revenue Service and the Louisiana Department of Revenue; however, there are currently no examinations in progress for any tax periods. The Chamber is subject to income tax examinations for the years ended December 31, 2010, 2011, 2012, and 2013.

Impairment of Long-Lived Assets

The Chamber assesses whether there has been impairment in the value of its long-lived assets whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount to the future net cash flows, undiscounted and without interest, expected to be generated by the assets. If such assets are considered to be impaired, the amount of impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. No assets were deemed to be impaired at December 31, 2013 or 2012.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MONROE CHAMBER OF COMMERCE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Note 2 - Investment in Milner Building, LLC

The Chamber sold its interest in the Milner Building on January 30, 2012 for \$60,000 to The Milner Building, LLC in the form of a promissory note. The Milner Building, LLC agreed to repay the Chamber its \$60,000 previous investment in Milner Building, LLC by allowing the Chamber to reduce its monthly rental payment amount to \$2,324, which is a reduction of \$1,250 per month or \$60,000 for the 48 month period.

The Chamber's Finance Committee had suggested at the time of the negotiation to rework the Chamber's office lease agreement and the sale of its interest in Milner Building, LLC that the Chamber should set money aside in a separate money market account that represents the effective collection on the note receivable via reduced rent expense. This initiative was with the objective that at February 29, 2016, the end of the 48 month lease agreement (see "Note 6 - Operating Lease - Office Space" of these Notes to the Consolidated Financial Statements for more lease information), the Chamber would have \$60,000 in a separate savings account. As of December 31, 2013 the Chamber had transferred into the separate money market account \$27,506, the cumulative amount of the notes receivable reduction for the twenty two months ended December 31, 2013, the number of months in the revised lease agreement that began March 1, 2012.

The activity in the money market account for 2013 is as follows:

Balance, beginning of the year	\$ 12,500
Transfers into the account	15,000
Interest earned on the account	6
Disbursements from the account	<u>-</u>
Balance, end of the year	<u>\$ 27,506</u>

Note 3 - Capital Lease Obligation-Computer Equipment

In March, 2011, the Chamber entered into a capital lease, acquiring \$10,613 of computer equipment at an interest rate of 12.87%. Capital leases give rise to both property rights and long-term lease obligations and are reflected on the Chamber's Statements of Financial Position.

Total lease payments for the years ended December 31, 2013 and 2012 were \$3,569 and \$4,283, respectively. As of December 31, 2013, future minimum lease payments under the capital lease totaled \$1,071, of which \$23 represented interest payments, resulting in a net present value of future minimum lease payments of \$1,048.

MONROE CHAMBER OF COMMERCE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Note 4 - Line of Credit

The Chamber obtained a \$75,000 revolving line of credit on June 15, 2010. The line of credit has a variable interest rate based on changes in an independent index-Low Prime Rate and is renewed every two years. The line of credit was renewed during 2012 and expires August 2, 2014.

Note 5 - Supporting Services

Management and General Expenses consist of the following for 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Automobile Expense	\$ 3,295	\$ 2,088
Bank Charges	7,473	6,384
Continuing Education	572	539
Depreciation	4,190	6,972
Dues and Subscriptions	8,096	3,410
Insurance	11,337	5,132
Interest	650	892
Lease-Copier Equipment	5,695	5,695
Lease-Office Space	49,478	47,862
Meetings	3,060	2,733
Office Supplies	5,706	7,956
Postage	6,339	5,983
Professional Fees	18,103	18,226
Salaries and Employee Benefits	80,985	80,620
Service Contracts and Repairs	4,043	7,575
Telephone	10,157	11,326
Unrelated Business Income Taxes	1,533	372
Other	<u>9,978</u>	<u>12,617</u>
Total	\$ <u>230,690</u>	\$ <u>226,382</u>

Fund Raising expenses consisted of salaries and related benefits in the amounts of \$23,219 and \$20,207 for 2013 and 2012, respectively.

MONROE CHAMBER OF COMMERCE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Membership Development expenses consist of the following for 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Salaries and Employee Benefits	\$ 38,899	\$ 36,082
Annual Meeting and Banquet	12,598	14,085
Printing and Developing	885	887
Telephone	2,981	1,916
Other	<u>4,121</u>	<u>1,229</u>
 Total	 <u>\$ 59,484</u>	 <u>\$ 54,199</u>

Note 6 - Operating Lease -Office Space

The Chamber leases office space from Milner Building, LLC, under a four year noncancelable operating lease, from March 1, 2012 until February 28, 2016. Total rental expenses for the years ended December 31, 2013 and 2012, were \$49,478 and \$47,862, respectively. Future minimum lease payments required under the operating lease total \$92,974.

Note 7 - Employee Retirement Plan

The Chamber provides a 401 (k) retirement plan for eligible employees. To participate in the plan, employees must be at least 21 years of age and have provided one year of service. The Chamber contributes 5% of participating employees' earnings. Employees may make a pre-tax voluntary contribution of up to 100% of their compensation or the maximum amount permitted by law to the plan. The Chamber contributed \$13,134 and \$12,518 to this plan for the years ended December 31, 2013 and 2012, respectively.

Note 8 - Noncash Activities

For 2013 and 2012, the Chamber received noncash revenues in the form of membership dues and total resource development campaign contributions of \$142,295 and \$142,675 in exchange for contributed services of \$135,200 and \$132,363. Additionally, Special Event revenue and Cost of Direct Benefits to Donors includes noncash activity in the form of items donated for the auction. For 2013 and 2012, the Chamber received items with fair market values of \$10,475 and \$30,015 that were later sold at auction. Additional noncash activities include the sale of the Milner Building Investment in exchange for a notes receivable instrument and the expense of office rent that does not use cash outlays (refer to Note 2).

MONROE CHAMBER OF COMMERCE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Note 9 - Disclosures about Concentrations

All of the membership dues receivable represents amounts due from businesses located within Ouachita Parish and mostly within the City of Monroe. Approximately five percent of other receivables represent amounts due from the membership for participation in other programs such as leadership, government relations and similar programs. The Chamber does not require any security or collateral to secure these amounts.

During 2013 and 2012, the Chamber received \$97,500 and \$100,000, respectively (12% and 11%, respectively, of total support in each of these years) from the City of Monroe, the University of Louisiana-Monroe, and the Ouachita Terminals. All of the funds received from these local entities was used to support the costs of the Chamber's consulting lobbying firm. The lobbying firm contract is cancelable with 30 days notice.

The Chamber has various deposit accounts at two federally insured financial institutions. As of December 31, 2013, the bank balances in these accounts did not exceed the FDIC coverage.

Note 10 – Subsequent Events

Subsequent events have been evaluated by management through the date the financial statements were available to be issued, June 5, 2014.

In January, 2014, the Chamber entered into a capital lease agreement for the lease of a new server valued at \$12,898. The terms of the lease are for thirty six months with an initial payment of \$520.74 followed by thirty five subsequent payments of \$390.92.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Monroe Chamber of Commerce, Inc.
Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Monroe Chamber of Commerce, Inc.** and the **Monroe Chamber Foundation** (a nonprofit organization, collectively the Chamber), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Chamber's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control. Accordingly, we do not express an opinion on the effectiveness of the Chamber's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify

**Board of Directors
Monroe Chamber of Commerce, Inc.**

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

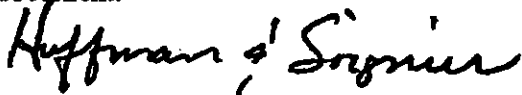
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Chamber's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information of management; the Chamber's Board of Directors, entities granting funds to the Chamber and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

June 5, 2014